

**TOWN OF LECOMPTE
LECOMPTE, LOUISIANA**

JUNE 30, 2011

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 25 2012**

TOWN OF LECOMPTE, LOUISIANA

ANNUAL FINANCIAL REPORT

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INDEPENDENT AUDITOR'S REPORT

The Honorable Gregory Clark, Mayor,
and Board of Aldermen
Town of Lecompte
Lecompte, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, Louisiana as of and for the year ended June 30, 2011, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of Town of Lecompte, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, Louisiana, at June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

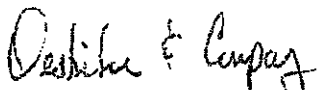


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In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2011, on our consideration of the Town of Lecompte, Louisiana's internal control structure over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The required supplementary information on page 24 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town of Lecompte has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be a part of, the basic financial statements.



OESTRICHER & COMPANY
Certified Public Accountants

December 28, 2011

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Town of Lecompte, Louisiana
Statement of Net Assets
June 30, 2011

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<u>Assets</u>			
Cash	\$ 322,584	\$ -	\$ 322,584
Receivables, net of allowance	63,251	-	63,251
Due from other governmental units	-	-	-
Capital assets, net of accumulated depreciation	2,513,294	-	2,513,294
Total assets	2,899,129	-	2,899,129
<u>Liabilities</u>			
Current liabilities:			
Accounts payable	58,232	-	58,232
Current portion of long-term obligations	11,517	-	11,517
Other liabilities	5,606	-	5,606
Total current liabilities	75,355	-	75,355
Long-term debt	154,509	-	154,509
Capital lease obligations	12,746	-	12,746
Total liabilities	242,610	-	242,610
<u>Net Assets</u>			
Invested in capital assets, net of related debt	2,513,294	-	2,513,294
Unassigned	143,225	-	143,225
Total net assets	\$ 2,656,519	\$ -	\$ 2,656,519

The notes to the financial statements are an integral part of this statement.

Town of LeCompte, Louisiana
Statement of Activities
For The Year Ended June 30, 2011

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Operating		Governmental Activities	Primary Government Business-Type Activities	Total
		Fees, Fines, and Charges for Services	Grants and Contributions			
GOVERNMENTAL ACTIVITIES						
Primary Government						
Governmental activities						
General fund	\$ 1,059,084	\$ 276,352	\$ 24,995	\$ (757,737)	\$ -	\$ (757,737)
Capital projects	296,449	-	-	(272,649)	-	(272,649)
Debt service funds	3,370	-	-	13,736	-	13,736
Special revenue	10,501	186,822	-	176,321	-	176,321
Total governmental activities	<u>1,369,404</u>	<u>463,174</u>	<u>24,995</u>	<u>(840,329)</u>	<u>-</u>	<u>(840,329)</u>
Total primary government	<u>\$ 1,369,404</u>	<u>\$ 463,174</u>	<u>\$ 24,995</u>	<u>\$ (840,329)</u>	<u>\$ -</u>	<u>\$ (840,329)</u>

General revenues:

Taxes-	\$	27,899	\$	27,899
Ad valorem taxes, levied for general purposes		440,714		440,714
Sales and use taxes		124,131		124,131
Franchise taxes		3,050		3,050
Beer taxes		303		303
Interest and investment earnings		15,017		15,017
Miscellaneous		(139)		(139)
Transfers		610,975		610,975
Total general revenues and transfers		<u>(229,334)</u>		<u>(229,334)</u>
Change in net assets		<u>2,885,873</u>		<u>2,885,873</u>
Net assets-beginning of year		<u>\$ 2,656,519</u>		<u>\$ 2,656,519</u>
Net assets-ending of year				

The notes to the financial statements are an integral part of this statement

FUND FINANCIAL STATEMENTS

Town of LeCompte, Louisiana
Balance Sheet
Governmental Funds
June 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Special Revenue</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Assets					
Cash	\$ 83,770	\$ 14,634	\$ 224,080	\$ 100	\$ 322,584
Receivables, net of allowance	22,108	-	6,794	-	28,902
Due from other funds	77,460	6,300	18,511	-	102,271
Due from other governmental units	18,715	-	15,650	-	34,365
Total assets	<u>\$ 202,053</u>	<u>\$ 20,934</u>	<u>\$ 265,035</u>	<u>\$ 100</u>	<u>\$ 488,122</u>
Liabilities and fund balances					
Liabilities:					
Accounts payable	\$ 29,934	\$ 100	\$ 28,194	\$ -	\$ 58,228
Due to other funds	18,510	37,337	46,324	100	102,271
Other liabilities	5,580	-	46	-	5,626
Total liabilities	<u>54,024</u>	<u>37,437</u>	<u>74,564</u>	<u>100</u>	<u>166,125</u>
Fund balances (deficit):					
Committed	-	(16,503)	190,471	-	173,968
Unassigned	148,029	-	-	-	148,029
Total fund balances (deficit)	<u>148,029</u>	<u>(16,503)</u>	<u>190,471</u>	<u>-</u>	<u>321,997</u>
Total liabilities and fund equity	<u>\$ 202,053</u>	<u>\$ 20,934</u>	<u>\$ 265,035</u>	<u>\$ 100</u>	<u>\$ 488,122</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet
of Governmental Funds
to the Statement of Net Assets
June 30, 2011**

Total fund balance-total governmental funds	\$ 321,997
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets of \$6,772,139 net of accumulated depreciation of (\$4,258,845), are not financial resources and, therefore, are not reported in the funds	\$ 2,513,294
General long-term debt of governmental activities is not payable from current resources and, therefore, not reported in the funds	(160,824)
Capitalized lease obligation of governmental activities is not payable from current resources and, therefore, not reported in the funds	<u>(17,948)</u>
	<u>2,334,522</u>
Net assets of governmental activities	<u>\$ 2,656,519</u>

The notes to the financial statements are an integral part of this statement.

Town of Lecompte, Louisiana
Statement of Revenues, Expenditures, and Changes
in Fund Balances-Governmental Funds
For the year ended June 30, 2011

	General Fund	Capital Projects	Special Revenue	Debt Service Fund	Total Governmental Funds
Revenues:					
Taxes	\$ 379,788	\$ -	\$ 213,234	\$ -	\$ 593,022
Licenses and permits	90,716	-	-	-	90,716
Intergovernmental	3,050	-	-	-	3,050
User fees	-	-	170,677	-	170,677
Fines and forfeitures	171,990	-	-	-	171,990
Other	28,454	-	16,290	-	44,744
Total revenues	<u>673,998</u>	<u>-</u>	<u>400,201</u>	<u>-</u>	<u>1,074,199</u>
Expenditures:					
Current:					
General and administrative	392,384	-	282,892	-	675,276
Fire protection	-	10,400	13,557	-	23,957
Police protection	324,850	-	-	-	324,850
Highways and streets	208,477	160	-	-	208,637
Capital outlay	34,816	205,556	153,636	-	394,008
Debt service-					-
Principal	1,258	-	-	20,176	21,434
Interest and fiscal charges	246	-	-	3,370	3,616
Total expenditures	<u>962,031</u>	<u>216,056</u>	<u>450,085</u>	<u>23,546</u>	<u>1,651,718</u>
Excess (deficiency) of revenues under (over) expenditures	(288,033)	(216,056)	(49,884)	(23,546)	(577,519)
Other financing sources (uses):					
Transfers from (to) other funds	-	11,056	(17,637)	6,440	(141)
Debt proceeds	19,206	181,000	-	-	200,206
Grant proceeds	24,995	23,800	-	17,106	65,901
Total other sources (uses):	<u>44,201</u>	<u>215,856</u>	<u>(17,637)</u>	<u>23,546</u>	<u>265,966</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(243,832)	(200)	(67,521)	-	(311,553)
Fund balances (deficit), beginning	<u>391,861</u>	<u>(16,303)</u>	<u>257,992</u>	<u>-</u>	<u>633,550</u>
Fund balances (deficit), ending	<u>\$ 148,029</u>	<u>\$ (16,503)</u>	<u>\$ 190,471</u>	<u>\$ -</u>	<u>\$ 321,997</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of
Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
For the year ended June 30, 2011**

Net changes in fund balances-total governmental funds		\$ (311,553)
Amounts reported for <i>governmental activities</i> in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense		
Capital expenditures	\$ 394,008	
Depreciation expense	<u>(133,037)</u>	
		260,971
Governmental funds record long-term debt in the General Long-Term Debt Account Group as opposed to recording debt activity in the fund financial statements. However, in the statement of activities, the debt and related expenses are reported		
Debt proceeds		(200,206)
Principal paid on long-term debt obligations		20,176
Principal paid on capital lease expensed in governmental funds		<u>1,258</u>
Change in net assets of governmental activities		<u>\$ (229,354)</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Town of Lecompte, Louisiana (the Town) was incorporated February 24, 1904 under the provisions of Louisiana law. The Town operates under the Lawrason Act with a Mayor - Board of Aldermen form of government and provides the following functions to its citizenry: public safety (police and fire protection), highways and streets, sanitation, health and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting practices of the Town conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*. The following is a summary of certain significant accounting policies and practices:

Government-wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. Individual funds are not displayed but the statements distinguish governmental activities from business-type activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity.

Fund Financial Statements

Fund financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Reporting Entity - In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

include a potential component unit in the reporting entity is made by applying the criteria set forth in GAAP. The basic, but not only criterion, for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Governmental Funds -

General Fund-The general fund is the general main operating fund of the Town. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted for a specific purpose are accounted for in this fund.

Capital Projects Funds-Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities being financed from general obligation bond proceeds, grants, or transfers from other funds.

Special Revenue Funds-Special revenue funds are used to account for the proceeds of specific revenue sources restricted to expenditures for specific purposes.

Debt Service Fund-The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Basis of Accounting

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity (between or within funds).

Governmental fund financial statements are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available"

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred.

Encumbrances

The Town does not record encumbrances in its accounting system.

Budgets and Budgetary Accounting

The Town Charter establishes the fiscal year as the twelve-month period beginning July 1. The procedures detailed below are followed in establishing the budgetary data reflected in the financial statements.

The City Clerk and Mayor prepare a proposed budget based on an estimate of the revenues expected to be received in the next fiscal year and submits the proposal to the Board of Aldermen no later than fifteen days prior to the beginning of the fiscal year. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

Budgetary amounts are as originally adopted, or as amended by the Board of Aldermen. All budgetary appropriations lapse at the end of the fiscal year.

Assets and Liabilities

Cash and cash equivalents - For reporting purposes, cash and cash equivalents (restricted and unrestricted) includes all cash on hand, cash in bank accounts, certificates of deposit, and highly liquid investments maturing in three months or less. Cash restricted for payment as required by law, contract, or agreement is reported separately in the financial statements.

Receivables - All receivables are reported at the gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Interfund receivables and payables - Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Due from other governmental units - Receivables from other governmental units represent collections of various revenues which are expected to be submitted within sixty days after the close of the fiscal year.

Property, plant and equipment - The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus.

All government fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

All capital assets are stated at historical cost. Historical costs include not only the purchase price and construction costs, but also ancillary charges to place the asset in its intended location and condition for use. Capital assets are depreciated using the straight-line method over their estimated useful lives.

Fund balances

Town of LeCompte adopted the provisions of GASB 54 related to the classification of governmental fund balances as of June 30, 2011. The governmental fund balances are classified as follows:

Committed – amounts that can be used only for specific purposes determined by a formal action of the Board of Aldermen. The Board is the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Unassigned – all other spendable amounts.

Compensated absences - The Town does not accumulate unpaid vacation, sick pay, and other employee benefit amounts because employees are not allowed to carry over significant amounts.

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND CASH EQUIVALENTS:

As of June 30, 2011, cash and cash equivalents totaled \$322,584 (book balance) and \$369,009 (bank balance), all of which is classified as unrestricted. Cash balances are insured to Federal Deposit Insurance Corporation limits. The Town had no cash balances that were not adequately secured.

3. RECEIVABLES:

Receivables as of June 30, 2011 consisted of the following:

	<u>General</u> <u>Fund</u>	<u>Special Revenue</u> <u>Funds</u>	<u>Memorandum</u> <u>Totals</u>
Interest receivable	\$ 25	\$ 20	\$ 45
Other receivables	7,404	6,774	14,178
Franchise taxes	<u>14,679</u>	<u>-0-</u>	<u>14,679</u>
	<u>\$ 22,108</u>	<u>\$ 6,794</u>	<u>\$ 28,902</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

INTERFUND RECEIVABLES AND PAYABLES:

Interfund balances as of June 30, 2011, consisted of the following:

	<u>Receivable</u>	<u>Payable</u>
General Fund	\$ 77,460	\$ 18,510
Special Revenue Funds		
One-Half Cent Sales Tax Fund	2,449	29,958
One Cent Sales Tax Fund	16,062	-0-
Red River Delta Grant Fund	-0-	3,107
Park Fund	-0-	10,000
Sewer Maintenance Fund	-0-	3,091
LCDBG Housing Project	-0-	168
Debt Service Fund		
Public Equipment Sinking Fund	-0-	100
Capital Projects Funds		
Fire Truck Construction Fund	-0-	100
LCDBG Street Improvement Fund	-0-	6,400
Street Improvement Fund	<u>6,300</u>	<u>30,837</u>
Totals	<u>\$ 102,271</u>	<u>\$ 102,271</u>

5. DUE FROM OTHER GOVERNMENTAL UNITS:

Amounts due from other governmental units as of June 30, 2011 consisted of the following:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Memo Totals</u>
Rapides Parish Police Jury				
Sales taxes	\$ <u>18,715</u>	\$ <u>15,650</u>	\$ <u>-0-</u>	\$ <u>34,365</u>
Totals	<u>\$ 18,715</u>	<u>\$ 15,650</u>	<u>\$ -0-</u>	<u>\$ 34,365</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

6. CHANGES IN GENERAL FIXED ASSETS:

A summary of general fixed asset transactions for the year ended June 30, 2011 follows:

	<u>Balance</u> <u>June 30, 2010</u>			<u>Balance</u> <u>June 30, 2011</u>	
Land	\$ 20,144	\$ -0-	\$ -0-	\$ 20,144	
Buildings	55,913	-0-	-0-	55,913	
Building improvements	727,726	-0-	-0-	727,726	
Vehicles and equipment	897,529	394,008	-0-	1,291,537	
Street, parking, and other	<u>4,676,819</u>	<u>-0-</u>	<u>-0-</u>	<u>4,676,819</u>	
Totals-cost	6,378,131	394,008	-0-	6,772,139	
Accumulated depreciation	<u>(4,125,808)</u>	<u>(133,037)</u>		<u>(4,258,845)</u>	
Capital assets, net	<u>\$ 2,252,323</u>			<u>\$ 2,513,294</u>	

7. ACCOUNTS AND OTHER PAYABLES:

The following is a summary of payables as of June 30, 2011:

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Capital</u> <u>Projects</u> <u>Funds</u>	<u>Memorandum</u> <u>Totals</u>
Accounts payable	\$ 29,934	\$ 28,194	\$ 100	\$ 58,228
Taxes under protest	931	-0-	-0-	931
Other payables	<u>4,648</u>	<u>46</u>	<u>-0-</u>	<u>4,694</u>
Total	<u>\$ 35,513</u>	<u>\$ 28,240</u>	<u>\$ 100</u>	<u>\$ 63,853</u>

TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

June 30, 2011

8. CAPITAL LEASE OBLIGATION

The following is a summary of the capital leases obligation of the Town of Lecompte, Louisiana for the year ended June 30, 2011:

Capital lease obligation to Mears Motor Leasing, original amount \$19,206; interest at 5.23%; due in monthly installments of \$501.44.

Transactions for the year ended June 30, 2011 are summarized as follows:

	General Fund
Capital lease obligation as of June 30, 2010	\$ -0-
Add: capitalized obligation	19,206
Less: principal payments	<u>(1,258)</u>
Capital lease obligation as of June 30, 2011	<u>\$ 17,948</u>

<u>Year ending June 30</u>	General Fund
2012	\$ 5,202
2013	5,480
2014	5,775
2015	<u>1,491</u>
Total minimum lease payments	<u>\$ 17,948</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

9. CHANGES IN LONG-TERM DEBT

	<u>Bonds</u>
Long-term debt at June 30, 2010	\$ -0-
Debt assumed	181,000
Debt retired	<u>(20,176)</u>
Long-term debt at June 30, 2011	<u>\$ 160,824</u>

Public Improvement Bonds

\$181,000 Certificate of Indebtedness, Series 2010 due in monthly installments of \$1,073.33 from January 21, 2011 to December 21, 2030; interest rate of 3.75 percent; payable from general revenues of the Town of LeCompte. \$ 160,824

The annual requirements to amortize all debt outstanding at June 30, 2011 are as follows:

<u>Year ending June 30</u>	<u>Debt Service Fund</u>
2012	\$ 6,315
2013	6,556
2014	6,806
2015	7,066
2016	7,336
2017-2030	<u>126,745</u>
Total debt service payments	<u>\$ 160,824</u>

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

10. AD VALOREM TAXES:

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31st in the year which the tax is levied. Property taxes are recognized in compliance with NCGA Interpretation 3 - (Revenue Recognition - Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due or past due and collected no longer than 60 days after the close of the current period.

For the year ended June 30, 2011, the Town levied 7.28 mills of taxes totaling \$29,083 and collected \$27,899, which was dedicated to the general corporate purposes of the Town.

11. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES:

No provision has been made for uncollectible receivables since all receivables are from other governmental units and private companies that the Town historically has always collected from in a timely manner.

12. PENSION PLANS:

Substantially all employees of the Town are members of the Municipal Police Employees' Retirement System of Louisiana or the Municipal Employees' Retirement System. These systems are multiple-employer (cost-sharing) public employee retirement systems (PERS), controlled and administered by separate boards of trustees.

Municipal Employees' Retirement System of Louisiana (System) The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town participating in the retirement system are members of Plan B. All permanent employees working at least 35 hours per week, who are not covered by another pension plan and are paid wholly or in part from municipal funds, and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to two percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each municipality, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute 5 percent of their annual covered salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Municipal Police Employees' Retirement System of Louisiana (System) All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of the final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute 7.5 percent of their annual covered salaries to the System. As provided by Louisiana revised Statue 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees' Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 929-7411.

**TOWN OF LECOMPTE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

June 30, 2011

13. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of or damage to and destruction of assets, errors and omissions, injuries to public employees, and natural disasters. These risks of loss are covered by participation in a public entity risk pool that operates as a common insurance program and by acquiring commercial insurance coverage. Claims resulting from these risks have historically not exceeded insurance coverage.

14. FUND DEFICIT

As of June 30, 2011, the Fire Truck Construction Fund, Street Improvement Fund, the One-Half Cent Sales Tax Fund, the Red River Delta Grant Fund, Park Fund and the LCDBG Housing Project Fund had deficit balances of \$100, \$18,630, \$20,002, \$2,180, \$9,922 and \$69, respectively.

REQUIRED SUPPLEMENTARY INFORMATION

Town of Leominster
Budgetary Comparison Schedule
All Governmental Fund Types
for the year ended June 30, 2011

	GENERAL FUND				CAPITAL PROJECTS FUNDS				SPECIAL REVENUE FUNDS			
	Original	Final	Actual Amounts (Budgetary Basis)	Variance with Final Budget Over (Under)	Original	Final	Actual Amounts (Budgetary Basis)	Variance Favorable (Unfavorable)	Original	Final	Actual	Variance Favorable (Unfavorable)
Revenues:												
Taxes	\$ 156,234	\$ 377,700	\$ 179,788	\$ 2,088	\$ -	\$ -	\$ -	\$ -	\$ 200,485	\$ 203,885	\$ 213,214	\$ 9,349
Licenses and permits	56,535	60,000	80,716	26,716	-	-	-	-	-	-	-	-
Intergovernmental	3,922	3,600	3,030	(550)	-	-	-	-	-	-	-	-
User fees	-	-	-	-	-	-	-	-	144,477	144,577	170,577	26,100
Utility agreements	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	183,631	187,000	171,060	4,930	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-	-	-	-
Other	127,282	107,050	26,454	(78,590)	-	-	-	-	341	341	16,290	16,249
Total revenues	370,664	719,350	672,933	(48,352)	-	-	-	-	348,701	348,701	470,201	51,498
Expenditures:												
General & administrative	516,809	335,020	352,364	(57,744)	-	-	-	-	150,400	150,400	282,892	(1,240.2)
Fire protection	-	-	-	-	-	-	-	-	227,534	227,534	13,457	213,077
Police protection	224,317	354,020	324,850	29,150	-	-	-	-	-	-	-	-
Highways and streets	16,583	210,580	208,477	1,023	-	-	-	-	-	-	-	-
Garbage collection	-	-	-	-	-	-	-	-	70,670	70,775	-	70,976
Recreational expense	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage maintenance	-	-	-	-	-	-	-	-	43,080	43,085	-	43,086
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	12,960	590	14,816	(31,316)	-	-	-	-	-	-	-	-
Debt Service	-	-	1,564	(1,564)	-	-	-	-	-	-	153,636	(153,636)
Grant expenses	2,311,000	-	-	-	-	-	-	-	-	-	-	-
Other expenses	-	20,000	-	-	-	-	-	-	-	-	-	-
Total expenditures	3,831,664	370,670	947,037	(61,961)	-	-	-	-	462,595	462,595	450,083	42,511
Excess (deficiency) of revenues over expenditures	(2,511,000)	(216,720)	(288,033)	(107,313)	-	-	-	-	(143,893)	(143,893)	(49,884)	94,009
Other financing sources:												
Grant proceeds received	2,911,000	25,752	24,905	(757)	-	-	-	-	-	-	-	-
Loan proceeds	-	-	19,206	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-	(17,637)	-
Total other financing sources	2,911,000	25,752	44,201	(757)	-	-	-	-	-	-	(17,637)	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	(190,968)	(243,832)	(108,070)	-	-	-	-	(143,893)	(143,893)	(67,521)	94,009
Fund balances (deficiency), beginning	391,761	391,761	391,861	-	(16,203)	(16,203)	(16,203)	-	257,992	257,992	257,992	-
Fund balances (deficiency), ending	\$ 391,761	\$ 390,793	\$ 148,029	\$ (108,073)	\$ (16,203)	\$ (16,203)	\$ (16,203)	\$ -	\$ 114,099	\$ 114,099	\$ 190,471	\$ 94,009

The notes to the financial statements are an integral part of this statement.



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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Gregory Clark, Mayor
and Members of the Board of Aldermen
Town of Lecompte, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lecompte, Louisiana, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 28, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Lecompte, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lecompte, Louisiana's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Lecompte, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of current and prior year findings, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.



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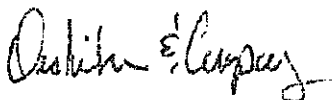
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of current and prior year findings to be material weaknesses listed as items number 2011-1 and 2011-2.

Compliance

As part of obtaining reasonable assurance about whether the Town of Lecompte, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Lecompte, Louisiana's response to the findings identified in our audit are described in the accompanying Management's Corrective Action Plan. We did not audit the Town of Lecompte, Louisiana's response and, accordingly, we express no opinion on it.

This report is intended solely for the information of management and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



OESTRICHER & COMPANY
Certified Public Accountants

December 28, 2011

TOWN OF LECOMPTE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended June 30, 2011

Section I-Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the Town of Lecompte, Louisiana.
2. Two material weaknesses disclosed during the audit of the basic financial statements is reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the basic financial statements of the Town of Lecompte, Louisiana were disclosed during the audit.

Section II-Financial Statement Findings

Finding 2011-1

Statement of Condition – The Town does not have adequate segregation of duties within the administrative office.

Criteria – A system of internal control procedures requires a segregation of duties so that no individual handles a transaction from start to finish.

Effect of condition – Lack of oversight that could lead to improperly recorded transactions.

Cause of condition – The small number of personnel employed by the Town.

Recommendation – The Town should monitor the assignment of duties to insure as much segregation of duties as possible.

Questioned costs – None

Finding 2011-2

Statement of Condition – The job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Criteria – A reporting entity should be able to prepare financial statements in accordance with GAAP without any outside assistance.

Effect of Condition – A large number of audit adjustments were recorded due to the lack of experience and training by the town clerk. The audit firm was also required to assist management in the preparation of financial statements in accordance with GAAP.

Cause of Condition – The job description did not stipulate requirements for hiring personnel with knowledge of GAAP.

Recommendation – The Town should consider the cost/benefit of hiring additional personnel with sufficient knowledge and training.

Questioned Costs – None

Section III-Federal Awards Findings and Questioned Costs

None

**Town of Lecompte
Lecompte, Louisiana
Management's Corrective Action Plan
For the year ended June 30, 2011**

Section I – Internal Control and Compliance Material to the Financial Statements

Finding 2011-1

The Town does not have adequate segregation of duties.

Planned corrective action

Due to budgetary constraints, the Town will not hire any additional personnel. Employees will be monitored as effectively as possible with the limited staff.

Finding 2011-2

The job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Planned corrective action

Due to budgetary constraints, the Town will not amend the job description. While management understands the nature of the finding and the necessity of personnel with qualifications that are higher than the current job descriptions, the benefits of hiring personnel with increased qualifications do not outweigh the costs.

**Town of Lecompte
Lecompte, Louisiana
Summary Schedule of Prior Audit Findings
For the year ended June 30, 2011**

Section I - Internal Control and Compliance Material to the Financial Statements

Finding 2010-1 – Inadequate segregation of duties.

Corrective action taken- Condition is not resolved. See Finding 2011-1

Finding 2010-2 - Job description for town clerk does not describe all of the requirements necessary so that the town will hire someone with sufficient training and knowledge that has the ability to prepare financial statements in accordance with GAAP.

Corrective action taken – Condition is not resolved. See Finding 2011-2.

Finding 2010-3 – Actual expenditures exceeded budgeted expenditures over five percent and budgeted revenues exceeded actual revenues over five percent in certain items.

Corrective action taken – Condition is resolved. The Town of Lecompte amended its budget within 5% of actual revenues and expenditures.

Section II - Internal Control and Compliance Material to Federal Awards

None

Section III - Management Letter

No management letter was issued for the year ended June 30, 2011